

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:1365
ANSWERED ON:27.11.2000
LOSSES SUFFERED BY STATE FARM CORPORATION OF INDIA
SHEESH RAM SINGH RAVI

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the State Farm Corporation of India is running into huge losses for the last two years;
- (b) if so, the reasons therefor; and
- (c) the measures taken/proposed to be taken to improve the situation in the organization to bring it out of the red?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD Y. NAIK)

(a) Yes, Sir.

(b) The main reasons for the losses are as under:

- ? inadequate irrigation facilities in the Farms of SFCI and, therefore, vulnerability to vagaries of nature;
- ? disproportionately large staff strength, and heavy wage bill;
- ? obsolete equipment and machinery;
- ? erosion of working capital and lack of financial liquidity;

(c) The following remedial steps are being taken to improve the situation to bring it out of the red:

- ? improved management practices and close monitoring of farm operations;
- ? introduction of VRS/VSS to reduce staff strength;
- ? disposal of non-viable farms;
- ? prudent financial management and reduction of expenditure;
- ? optimum utilization of available resources;
- ? augmentation of irrigation facilities to expand cultivable area;
- ? replacement of obsolete machinery;
- ? shift in production strategy to focus on high value seeds;
- ? improved marketing strategy;
- ? Engagement of a Consultant for conducting a study of the organization to recommend ways and means of improving its functioning.